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No. 00-1543

Supreme Court, U.S.
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In the Supreme Court

OF THE

United States

FESTO CORPORATION,
Petitioner,

VS.

SHOKETSU KINZOKU KOGYO KABUSHIKI CO., LTD.,
a/k/a SMC CORPORATION AND
SMC PNEUMATICS, INC.
Respondents.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

BRIEF OF *AMICUS CURIAE* APPLERA CORPORATION (APPLIED BIOSYSTEMS AND CELERA GENOMICS) IN SUPPORT OF RESPONDENTS

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I.
STATEMENT OF INTEREST

Applera Corporation ("Applera") is a leading biotechnology company comprised of two businesses, Celera Genomics and Applied Biosystems.[1] Celera Genomics seeks to become the definitive source of genomic and related biological information and has already publicly announced that it has sequenced the human genome, among others. Applied Biosystems is the leading supplier of equipment and reagents for DNA sequencing worldwide, as well as many other areas of molecular analysis.

As a leader in the biotechnology field, Applera operates in a technologically dense environment. Not surprisingly, patent rights play an important role in its businesses. To be clear, Applera holds key patent rights and has been, and is, involved in litigation where it is the patent-holder. Likewise, as a successful company with substantial market share, Applera is the target of patent claims and has been, and is involved in litigation where it is the accused infringer. Applera merely seeks clear and certain rules that encourage and reward innovation by reinforcing the respect for legitimate patent rights, while also ensuring that the scope of the patent rights of others is clear to those wishing to enter or advance in a particular field.[2]

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[1] Pursuant to Rule 37.6, none of the parties or their counsel has contributed substantively or monetarily to the preparation of this brief. Specifically, only the amicus has made a monetary contribution to the preparation or submission of this brief.

[2] Consent letters from the attorneys for Petitioner and Respondent are being filed concurrently with this brief.

II.

INTRODUCTION

In *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.* 234 F.3d 558 (Fed. Cir. 2000) the Federal Circuit, sitting *en banc,* determined, among other things that a prosecution history estoppel is an unambiguous bar to any attempt by a patentee to cover subject matter that falls outside the particular narrowing words selected by the patentee to gain allowance of patent rights.[3] Based on extensive experience, the Federal Circuit reasoned that the cost of the uncertainty imposed by a "flexible" rule allowing for indeterminate "degrees" of estoppel effect for subject matter beyond the limitation specifically chosen by the patentee, did not outweigh its benefits. *Id.* at 575 – 578.

Amicus Applera believes it is unwise for this Court to attempt to reevaluate the considered judgment of the Federal Circuit in its area of special expertise at this time, if it is inclined to address patent law issues at this level of detail at all. The central criticism of the Federal Circuit's exercise of judgment is that it supposedly constitutes "the virtual abolition of the century-old 'doctrine of equivalents,'" and that it "has dealt the patent system a crippling blow." Petition at 2, 24. At the same time, the Petition insists that the Federal Circuit's new rule is "new" and thus untested. Accordingly, the linchpin of the petition is that its sweeping predictions of future doom must be addressed by this Court now because there can be no meaningful "percolation" or "ventilat[ion]" of these issues by the lower courts which would allow the

[3] The petition does not clearly explain that the doctrine of equivalents can and usually *will* be available for a patent claim that has been amended. *See* Petition at 10-11 ("the majority barred all application of the doctrine of equivalents for amended claims"). The estoppel created by a patentee's decision to narrow its claim to obtain allowance is limited to only the precise language added to limit the claim and the doctrine of equivalents is available for every other aspect of the amended claim.

refinement of the law to minimize any undesired outcomes, and which would test the accuracy of its speculations.

Amicus Applera respectfully points out that this critical premise of the petition is not true. Speculative prognostications of doom and parades of horribles *can* and *should* be evaluated with experience. In addition, the lower courts around the country can — and already have — begun to evolve the law of *Festo* by, for example, limiting the estoppel to only the particular words within the claim specifically added by the patentee to narrow its claim to obtain a patent. Finally, the facts of this particular case do not shed light on the uncertainties of attempting to assign gradations of estoppel effect, and do not otherwise provide an appropriate context for this Court to judge the issue properly, if it were inclined to do so at all.

In sum, the immense weight of this Court's decisions, which can have unanticipated consequences in the intricate and well-developed body of Federal Circuit patent law, counsel against a decision by this Court in the tricky area of prosecution history estoppel until the issues have been ventilated and refined by the lower courts — if this Court believes it is appropriate at all to manage the patent law at this level of granularity. Unsupported speculations of doom and unproven parades of horribles provide a shaky and dangerous foundation for this Court to reassess the considered judgment of the Federal Circuit, which is involved in this notoriously complex area of patent law everyday.[4] For this reason alone, this petition should be denied.

[4] In a concurrence, Judge Lourie expresses his belief that predictions of doom in the field of biotechnology due to piracy are unsupported. *See Festo,* 234 F.3d at 597 – 598 (Lourie, J., concurring).

III.

THE PETITION SHOULD BE DENIED

A. In *Festo*, The Federal Circuit Followed The Mandate Of This Court

In *Warner-Jenkinson Company, Inc. v. Hilton Davis Chemical Co.*, 520 US 17, 39 n.8 (1997), this Court directed the Federal Circuit to manage carefully the doctrine of equivalents "to promote certainty, consistency, and reviewability to this area of the law."[5] In this and other passages, this Court made clear that (1) it wanted any inappropriate uncertainty in the application of the doctrine of equivalents to be reigned in by the Federal Circuit and (2) this Court would not "micromanage" the Federal Circuit. *See id.* at 40 ("With these limiting principles as a backdrop, we see no purpose in going further and micromanaging the Federal Circuit's particular word choice for analyzing equivalence. We expect that the Federal Circuit will refine the formulation of the test for equivalence in the orderly course of case-by-case determinations, and we leave such refinement to that court's sound judgment in this area of its special expertise.").

The Federal Circuit in *Festo,* fulfilling its mandate, reviewed the question of whether prosecution history estoppel should unambiguously bar the recovery by a patentee of subject matter outside the words selected by the patentee to narrow its claims, or whether gradations of estoppel apply to such added limitations such that the public must attempt to assess, on a case by case basis, the "degree" of estoppel that a decision maker may decide to apply.

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[5] Applera notes that a vibrant doctrine of equivalents is dependant on its reliable and certain application. Some have attempted to eliminate legislatively the doctrine, and a sloppy or vague application of the doctrine over time will only encourage such efforts.

The *Festo* decision stems from the Federal Circuit's considered conclusion that attempting to assess the proper "degree" of estoppel on a case by case basis injects intolerable uncertainty into the system. According to the Federal Circuit, extensive experience teaches that there are precious few guides to determine where in the spectrum between the precise words added to the claim and, for example, the prior art, the line between a permissible equivalents argument and a forbidden estoppel exists. *See Festo*, 234 F.3d at 574 – 575 (discussing the "difficulty under the flexible bar approach in predicting with any degree of certainty the scope of surrender that will be found when prosecution history estoppel applies"). The Federal Circuit rejected the "flexible" approach because it determined that it was incompatible with the statutory requirement that claims be definite, and this Court's repeated injunctions in *Warner-Jenkinson* that clear public notice of the scope of patent rights (essentially a government-sponsored grant of exclusive rights to technology) is critical to the success of the patent system. *See id.* at 575 (stating that the flexible bar approach poses a "direct obstacle" to "preserving the notice function of patent claims," and "promoting certainty in patent law.") (internal citations omitted); *see also id.* at 576 – 577.

Thus, the Federal Circuit balanced the competing considerations, and, based upon its "nearly twenty years of experience in performing [its] role as the sole court of appeals for patent matters," refined the law by rejecting the "flexible" approach wherein different gradations of estoppel are assigned on a case by case basis. *Id.* at 574 – 575.

B. The Petition's Unsupported Doomsday Predictions Do Not Justify The Granting Of Certiorari

Petitioner concedes that the unambiguous rule set forth in *Festo* adds "[i]ncreased certainty and predictability" to the

application of the doctrine of equivalents.[6] Petition at 26. Thus, the petition is forced to speculate about a parade of horribles that it predicts will result from *Festo* in the future.

At the outset, this view is distorted by the apparent assumption that the presence of a prosecution history estoppel would preclude any range of equivalents for an amended claim. As explained above, only the added limitation is necessarily the subject of the estoppel, not every element of the claim. Thus, virtually all amended claims still enjoy a range of equivalents for all the claim language that was not part of the narrowing amendment that gives rise to an estoppel.

In any event, at the same time that the petition predicts that the proverbial sky will fall, it claims that the *Festo* rule is novel and untested. This paradox forces the petitioner to argue that consideration of the issues presented cannot meaningfully benefit from percolation or ventilation by lower courts of this "new" rule. However, experience by lower courts will necessarily shed light on the petition's doomsday predictions. Given the relative rarity with which this Court delves into the doctrine of prosecution history estoppel, a well-developed record is indispensable if this Court is to address issues of patent law at this level of granularity. Only then, may the issues raised by the petition be studied and evaluated — in real cases involving real patents, not hypotheticals devised by advocates to make one point or another. *See, e.g., McCray v. New York*, 461 U.S. 961, 963 (1983) (STEVENS, J. respecting the denial of pet. for writs of cert.) ("it is a sound exercise of discretion for the Court to allow the various States to serve as laborato-

[6]Transitory concerns about the "uncertainty" caused by the Federal Circuit's ruling in *Festo* cannot outweigh the importance of reaching the correct result based on actual experience and a developed record. Moreover, such "certainty" arguments are awkward at best coming from those who criticize the certainty-advancing rule of *Festo*.

ries in which the issue receives further study before it is addressed by this Court"); *Lackey v. Texas*, 514 U.S. 1045 (1995) (STEVENS, J. respecting the denial of pet. for writs of cert.) ("Though the importance and novelty of the question presented by this certiorari petition are sufficient to warrant review by this Court, those factors also provide a principled basis for postponing consideration of the issue until after it has been addressed by other courts").

Indeed, the district courts around the country are already shaping the rule of *Festo*. For example, in *Aclara Biosciences, Inc. v. Caliper Technologies Corp.*, 125 F. Supp.2d 391 (N.D. Cal. 2000), Judge Breyer limited the *Festo* doctrine to apply only to the discrete limitation within the claim that was specifically added for reasons of patentability, rather than the entire clause containing that limitation. *See Aclara*, 125 F. Supp.2d at 402 – 403. In *Aclara*, Judge Breyer faced a question left unanswered by the facts presented in *Festo* — whether prosecution history applies only to the precise language added to narrow a claim for reasons related to patentability, or whether it applies to the entire claim element containing that language. Analyzing the Federal Circuit's decision in *Festo*, Judge Breyer noted that "[e]xtending the logic of *Festo* to an entire clause in a claim when only a portion of that claim has been amended" would not advance the goals of eliminating speculation and uncertainty, or that of reinforcing the notice function of the claims. *Id.* at 401 – 402. In addition, Judge Breyer reasoned that because the Federal Circuit did not go so far as to hold that any amendment to any limitation in a claim bars any range of equivalents as to all of the limitations in a claim, the court was obviously "comfortable with making the public read the prosecution history carefully to see which precise segment of a claim was amended and that the court envisioned a narrower understanding of prosecution history estoppel," *Id.* at 401. As such, Judge Breyer held that "prosecution history estoppel under *Festo* must be applied

individually to each of the limitations" within a clause, rather than to the clause as a whole. *Id.* at 402 – 403.

Thus, to the extent that the wisdom of the approach adopted by the Federal Circuit may be subject to question at all, "the likelihood that the issue will be resolved correctly may increase if this Court allows other tribunals 'to serve as laboratories in which the issue receives further study before it is addressed by this Court.' " *Brown v. Texas,* 522 U.S. 940 (1997) (STEVENS, J. respecting the denial of pet. for writs of cert.) (quoting *McCray,* 461 U.S. at 963). Indeed, given the myriad considerations upon which the Court of Appeals based its decision, assessment of the approach adopted by the Federal Circuit would certainly benefit from further study in connection with its application and implementation. *See, e.g., Lackey v. Texas,* 514 U.S. 1045 (1995) ("Petitioner's claim, with its legal complexity and its potential for far-reaching consequences, seems an ideal example of one which would benefit from such further study").

IV.

CONCLUSION

Given that this Court directed the Federal Circuit to evolve patent law to prevent the doctrine of equivalents from causing undue uncertainty, it would be premature to review such evolution on a piecemeal basis. Actual experience by the lower courts with the application of the *Festo* principles will only better position this Court to make judgments in this intricate area of the law, if this Court chooses to address issues of patent law at this level of detail.

Respectfully submitted,

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